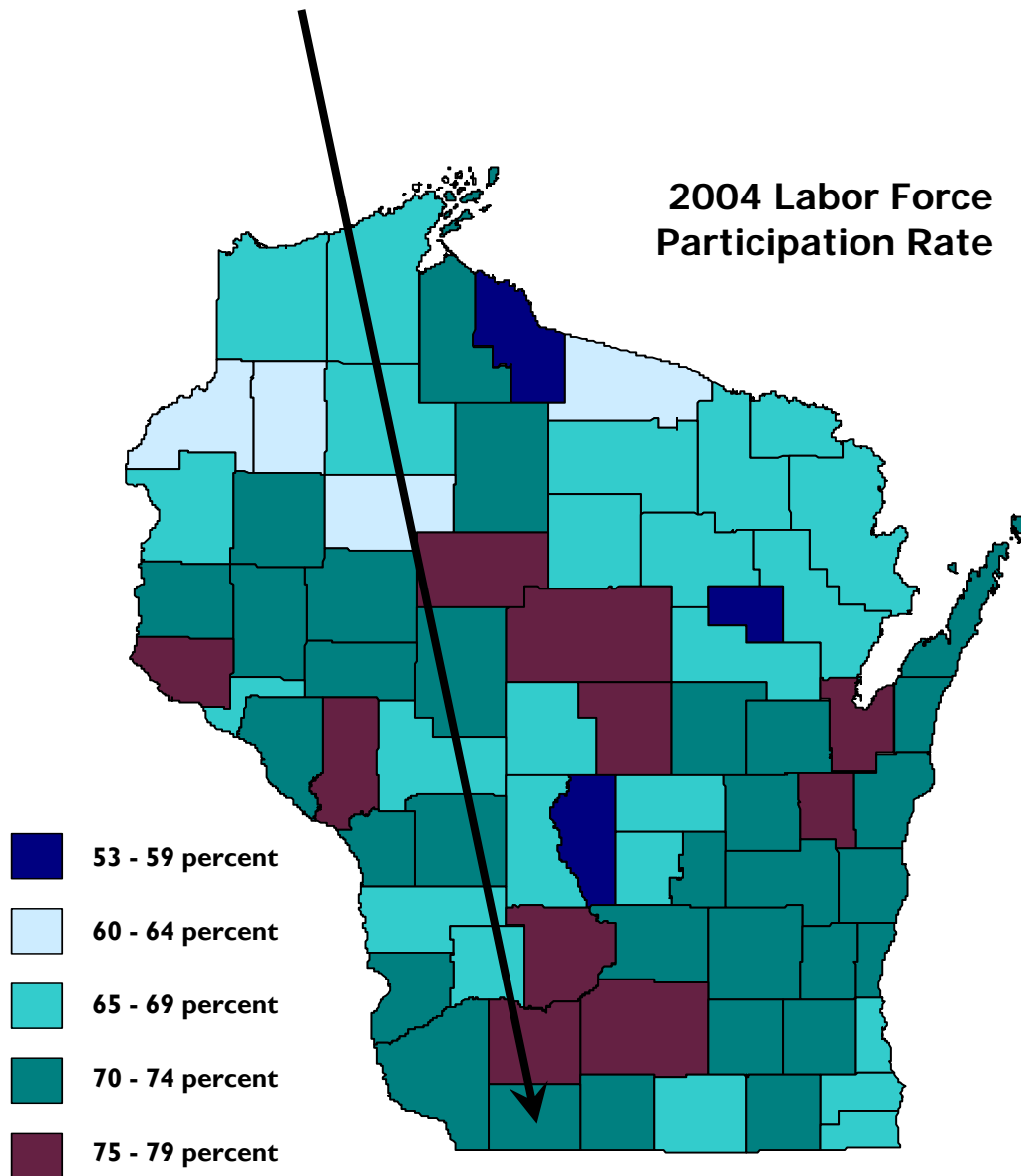


Lafayette County Workforce Profile



Source: Estimates created by DWD, OEA using data supplied by
U.S. Bureau of Labor Statistics and U.S. Bureau of Census

Regional contact:
Bill Brockmiller
Office of Economic Advisor
402 8th St.
La Crosse, WI 53601
608.242.4885
William.Brockmiller@dwd.state.wi.us



State of Wisconsin
Department of Workforce Development
Office of Economic Advisors

December 2005

OEA-10625-P

County Population and Labor Force

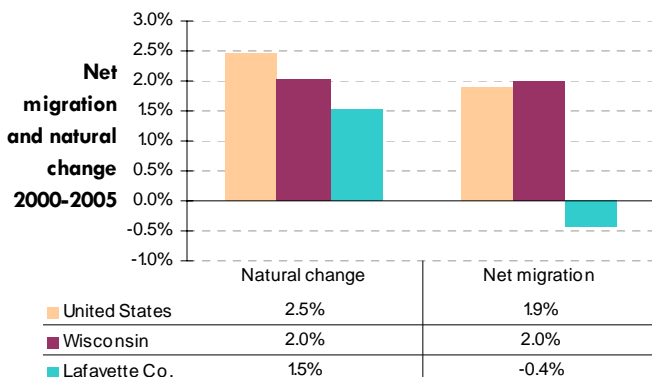
Lafayette County began to exhibit signs of modest economic recovery in 2004. However, opposing demographic trends continue to threaten many aspects of the county's economic viability. This pattern is demonstrated perhaps the most clearly in an analysis of the county's population growth over the past five years. As of January 1, 2005, Lafayette County's population stood at 16,312, or 1.1 percent above the same figure in 2000. Both the state and nation grew at comparatively higher rates, increasing their populations by 4.0 and 4.9 percent, respectively. This trend of lagging population growth throughout the county is expected to continue for the foreseeable future. By 2020, the county's population is expected to increase by 3.2 percent. This is compared to an expected statewide growth rate of slightly less than seventeen percent and a national population growth rate of 19.3 percent. The disparity between growth in these regions suggests that Lafayette County will experience marked difficulty in sustaining its labor force in the near future.

This trend is generally repeated in each of the county's largest municipalities. While no single municipality witnessed any significant decreases, population growth within Lafayette County was generally observed within its rural areas, as evidenced by the fact that, collectively, the county's five largest municipalities accounted for only four of the 175 new residents over this period. Similarly, municipal growth has been centered in the county's smallest municipalities, principally the

Five largest municipalities in Lafayette County

	April 2000 Census	Jan. 1, 2005 estimate	Numeric change	Percent change
Lafayette County	16,137	16,312	175	1.1%
Darlington, City	2,418	2,407	-11	-0.5%
Shullsburg, City	1,246	1,225	-21	-1.7%
Benton, Village	976	993	17	1.7%
Belmont, Village	871	898	27	3.1%
Wiotra, Town	900	892	-8	-0.9%

Source: Wis. Dept. of Administration, Demographic Services, August 2005



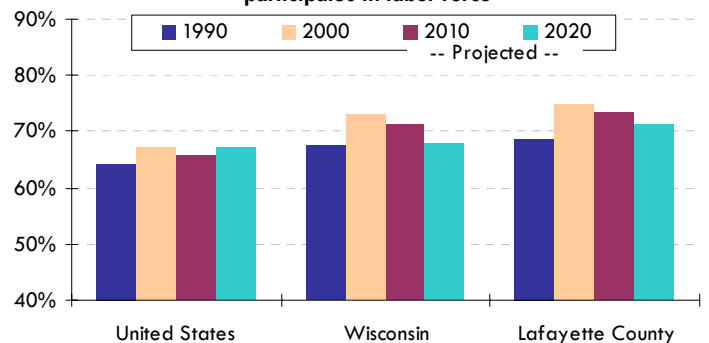
Source: WI Dept. of Admin., Demographic Services & US Census Bureau

Population and Labor Force

	United States	Wisconsin	Lafayette County
Total population in 2000	281,424,602	5,363,715	16,137
Population est. Jan. 1, 2005	295,160,302	5,580,757	16,312
Change	13,735,700	217,042	175
% change	4.9%	4.0%	1.1%
2005 Labor force population*	224,837,000	4,339,938	12,882
Share of total population	76.2%	78%	79.0%
Labor force	147,125,000	3,071,179	9,042
Labor force participation rate	65.4%	70.8%	70.2%
2005 Population 16 yrs. & over	228,621,674	4,417,313	12,980
16-24 yrs old	37,489,370	743,764	2,274
Share of population 16+ yrs	16.4%	16.8%	17.5%
25-59 yrs old	142,248,896	2,708,865	7,426
Share of population 16+ yrs	62.2%	61.3%	57.2%
60 yrs and older	48,883,408	964,684	3,280
Share of population 16+ yrs	21.4%	21.8%	25.3%
Projected population: 2020	335,804,546	6,110,878	16,844
Population 16 yrs. & over	264,085,104	4,869,573	13,432
16-24 yrs old	37,918,865	681,586	1,629
Share of population 16+ yrs	14.4%	14.0%	12.1%
25-59 yrs old	150,678,402	2,756,884	7,323
Share of population 16+ yrs	57.1%	56.6%	54.5%
60 yrs and older	75,487,837	1,431,103	4,480
Share of population 16+ yrs	28.6%	29.4%	33.4%

* civilian population 16 yrs. and older not in an institution

Percent of labor force age population that participates in labor force



Source: special tabulation by OEA using US Census, US Bureau of Labor Statistics, WI Dept. of Admin. estimates and projections

villages of Benton and Belmont.

One additional trend that is suggestive of the county's recent struggles is the trend towards out-migration that has dominated population change over the past five years. While both the state and nation reported positive in-migration, Lafayette County actually lost 0.4 percent to other counties.

Labor Force

While Lafayette County's population exhibited a number of disturbing trends over the course of the past five years, the county's labor force has remained quite resilient over the same period. However, there are also indications that demographic forces driven by an aging population may be exerting some influence here, as well. The county's annual average unemployment rate in 2004 stood at 4.4 percent, which marks the lowest average rate since 2001. This improvement was generally driven by a significant decrease in the number of unemployed workers throughout the county, a trend that has been observed throughout southwest Wisconsin.

The recent decrease in average unemployment in the county belies a pair of more troubling changes, however. At the same time that the number of unemployed workers has decreased, both the share of employed workers and the county's total labor force have begun to contract. The county's labor force in 2004 stood at over 400 persons below the same figure a year earlier, and employment was down 362 persons over the same period.

Lafayette County Civilian Labor Force Estimates

	Labor force	Employed	Unemployed	Unemployed rate
1990	8,413	8,097	316	3.8%
1991	8,341	7,939	402	4.8%
1992	8,419	7,981	438	5.2%
1993	8,388	8,074	314	3.7%
1994	8,415	8,069	346	4.1%
1995	8,399	8,065	334	4.0%
1996	8,369	7,994	375	4.5%
1997	8,148	7,854	294	3.6%
1998	8,119	7,837	282	3.5%
1999	7,631	7,358	273	3.6%
2000	9,203	8,937	266	2.9%
2001	9,454	9,094	360	3.8%
2002	9,370	8,896	474	5.1%
2003	9,480	9,004	476	5.0%
2004	9,042	8,642	400	4.4%

Source: DWD, Bureau of Workforce Information, Local Area Unemployment Statistics, September 2005

Education Attainment

While an analysis of the sheer number of residents both within Lafayette County and those engaged in the county's labor force is suggestive of a number of interesting trends, neither of these figures provides any information concerning the relative quality or credentials of those within the workforce. One indicator of these characteristics is the education attainment of the population. Of particular interest through-

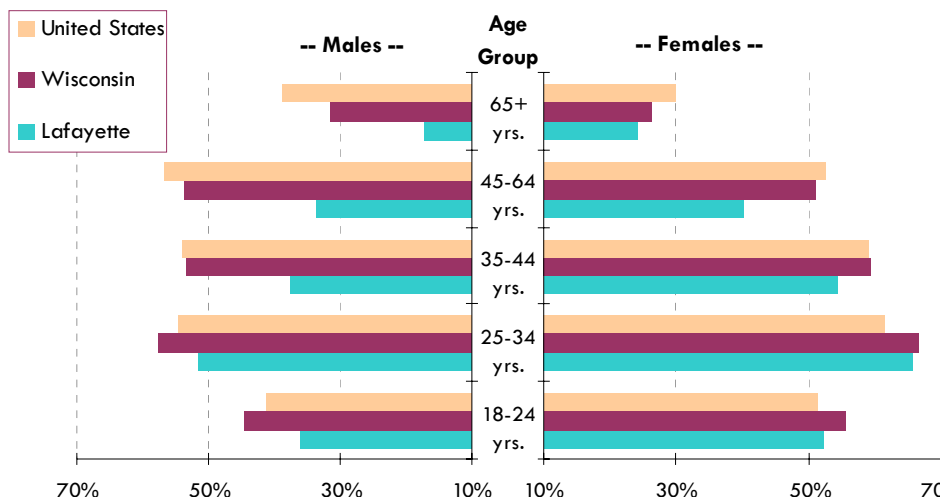
out the state over the past several years has been the degree to which the population has continued their education after high school. This trend, as delineated by gender for various age groups, is depicted in the chart below.

A number of strong patterns emerge through this chart. First, and foremost, it is significant to note that no single cohort exceeds the percentages observed in the state. However,

one cohort, females between the ages of 25 and 34, does exceed the national average. This finding is of particular interest as the state, as a whole, generally experiences its greatest net population loss within this cohort.

Conversely, Lafayette County lags significantly behind both Wisconsin and the United States in the education of its male population throughout all age cohorts. While this pattern may appear troubling, at first glance, it is also emblematic of the industry mix of the county's economy, which is dominated by occupations that may not necessarily require a worker to obtain the skills and training provided by postsecondary education.

Residents with post-secondary education



Source: US Census 2000, Summary file 3, QT-P20

Employment and Wages

Turning our attention to a discussion of wage levels throughout Lafayette County we see that, on average, private, non-farm employers located within the county pay annual wages approximately 31.5 percent below state standards. While significant, this finding is diminished, in part, through the realization that a great share of the county's workforce continues to be employed in some aspect of the agricultural industry – a fact that is not depicted in these figures. Nonetheless, there are a number of areas within non-farm industry sectors that bear further mention.

The trade, transportation, and utilities sector represents the largest industry sector within Lafayette County, yet average wages within the sector are only 73.7 percent of the state average. Much of the work in this industry is tied to the distribution and transportation of agricultural commodities. As such, this finding is somewhat troubling, given the importance of distribution networks to the success of the agricultural sector. Similarly, manufacturing and financial activities firms continue to pay wages well below state averages, despite experiencing significant wage growth in the manufacturing sector.

Shifting our focus to an analysis of changes in industry employment over the course of the past year, we see that sev-

Average Annual Wage by Industry Division in 2004

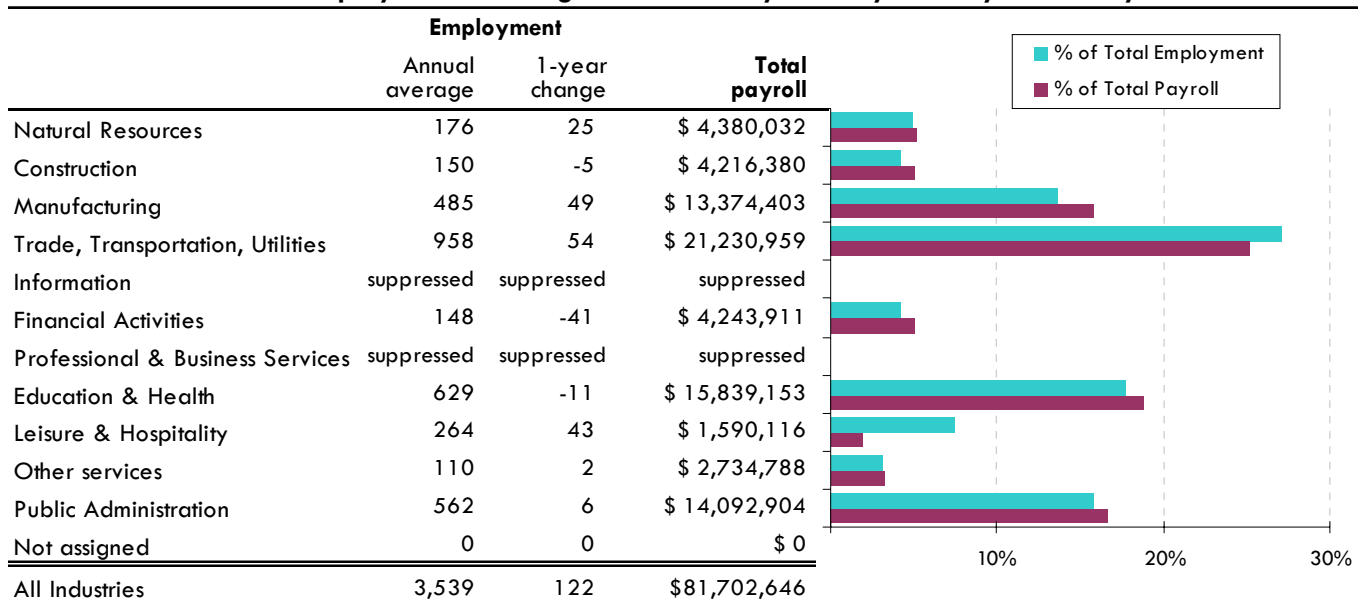
	2004		Percent of Wisconsin	1-year % change
	Wisconsin	Lafayette County		
All Industries	\$ 34,749	\$ 23,813	68.5%	1.8%
Natural resources	\$ 27,399	\$ 24,887	90.8%	-2.5%
Construction	\$ 41,258	\$ 28,109	68.1%	3.5%
Manufacturing	\$ 44,145	\$ 27,576	62.5%	8.1%
Trade, Transportation, Utilities	\$ 30,088	\$ 22,162	73.7%	0.6%
Information	\$ 41,759	suppressed	Not avail	Not avail.
Financial activities	\$ 45,103	\$ 28,675	63.6%	-3.0%
Professional & Business Services	\$ 39,580	suppressed	Not avail	Not avail.
Education & Health	\$ 36,408	\$ 25,181	69.2%	4.5%
Leisure & Hospitality	\$ 12,295	\$ 6,023	49.0%	-10.4%
Other services	\$ 20,207	\$ 24,862	123.0%	0.8%
Public Administration	\$ 36,347	\$ 25,076	69.0%	2.9%

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

eral large industry sectors added employees in 2004. This job growth was led by the manufacturing; trade, transportation, and utilities; and leisure and hospitality sectors. This final sector does deserve one additional mention, as the wage disparity inherent in the industry is tied to a heavy concentration of part-time and seasonal employment opportunities.

One final figure of note is that total employment, which includes all workers living in the county, averaged roughly 8,600 persons in 2004, and included over 5,000 persons in agricultural employment, or 59.0 percent of total county employment.

2004 employment and wage distribution by industry in Lafayette County



Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2005

Industry and Employers by Size

Top 10 Employers in Lafayette County

Establishment	Product or Service	Size (Dec. 2004)
County of Lafayette	Executive & legislative offices, combined	250-499 employees
Darlington Public School	Elementary & secondary schools	100-249 employees
Lactalis USA Inc	Cheese mfg.	100-249 employees
School District of Black	Elementary & secondary schools	100-249 employees
Merkle-Korff Industries Inc	Motor & generator mfg.	50-99 employees
Shullsburg Creamery Inc	Dairy product merchant whslrs	50-99 employees
Shullsburg Public School	Elementary & secondary schools	50-99 employees
School District of Argyle	Elementary & secondary schools	50-99 employees
Benton Public School	Elementary & secondary schools	50-99 employees
Truck Country of Iowa Inc	Motor vehicle merchant whslrs	50-99 employees

Source: DWD, Bureau of Workforce Information, ES-202, July 2005

Prominent industries in Lafayette County

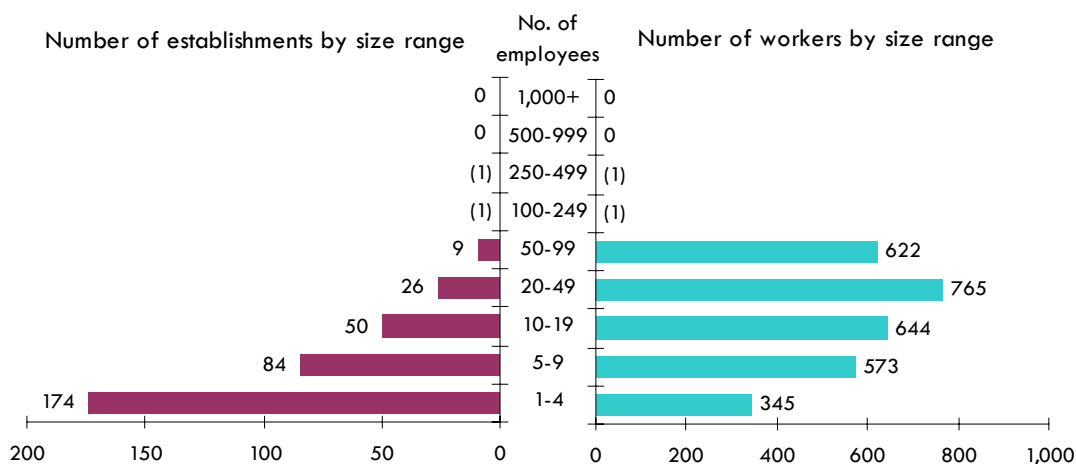
NAICS title	March 2005		Numeric change in employees	
	Establishments	Employees	2004-2005	2000-2005
Educational services	6	535	-8	-110
Executive, legislative, & gen government	25	322	-158	-176
Food manufacturing	11	278	13	95
Merchant wholesalers, nondurable goods	15	215	17	64
Food services and drinking places	27	213	14	-12
Gasoline stations	10	153	37	44
Truck transportation	22	136	-20	-26
Merchant wholesalers, durable goods	7	131	8	4
Nursing and residential care facilities	3	131	not avail.	not avail.
Credit intermediation & related activity	8	105	3	-34

* data suppressed to maintain employer confidentiality

Column headings revised 02/06

Source: DWD, Bureau of Workforce Information, ES-202, September 2005

Lafayette County establishments and workers by employment size range in 2004



(1) Data not available due to suppression factors

Source: DWD, Bureau of Workforce Information, Table 221, July 2005

The relative size of the Lafayette County economy, and the importance of the agricultural sector is again noted when reviewing a list of the county's largest employers and industry sectors. Again remembering that agricultural employment is not accounted for in these figures, we see that local government and public school districts dominate the list of large employers. This term, of course, is relative as no single employer accounts for more than 250-300 positions within the county.

In addition to the significant influence of government and education institutions throughout the county's workforce, we see that employers and industries tied to food processing and distribution also play a prominent role in Lafayette County. Among private entities, Lactalis USA, Shullsburg Creamery and Truck Country of Iowa each account for a large share of county employment.

Viewing non-farm employment from an industry perspective, we again see the significance of government and education employment. Similarly, the food manufacturing sector continues to play a significant, and increasing role in the county's economy. Food transportation and distribution are also key.

Per Capita Personal Income

While a discussion of average annual wages in many industry sectors and in many areas appears to provide enough information to come to a reasoned conclusion about an area's economic health, such a discussion seems insufficient for Lafayette County, given the strong presence of agricultural employment and production. As such, a superior indicator of economic vitality may lie in an analysis of per capita personal income. This measure, also known as PCPI, accounts for all income generated in the county, regardless of source, and distributes this net income across the county's entire population. This results in a more accurate estimate of the true wealth held by the county's residents.

Lafayette County's PCPI in 2003 stood at \$21,983. This figure ranks the county 67th out of the state's 72 counties, just ahead of Forest, Waushara, Vernon, Rusk, and Menominee. Lafayette County shares a number of key characteristics with each of these counties, particularly in both the rural character and importance of agricultural production to the county economy. Furthermore, the county's PCPI ranked approximately twenty-eight percent below the state average, and thirty percent below the national estimate.

The disparity between per capita income in Lafayette County and other rural areas and more urbanized counties, such as Dane, Waukesha, and Milwaukee can be attributed, in part to differences in relative industry mixes. While urbanized counties tend to be strongly concentrated in the manufacturing and professional services sectors, much of rural Wisconsin continues to carry on the state's agricul-

tural traditions. Given recent growth in foreign commodity production, difficult growing seasons, and uncertain price subsidies and supports, the whole of Wisconsin's agricultural sector has suffered over the past several years. While there are some signs of modest recovery and future growth, this is reflected in the low per capita income estimates in the county.

Wisconsin Counties 2003 Per Capita Personal Income and Rank in State

Area	2003	Rank	5-yr growth	Rank	Area	2003	Rank	5-yr growth	Rank
United States	\$ 31,472		17.1%		Manitowoc	\$ 27,807	27	13.6%	59
Wisconsin	\$ 30,685		17.2%		Marathon	\$ 29,992	16	22.0%	5
Adams	\$ 22,804	59	16.1%	37	Marinette	\$ 25,448	39	21.3%	9
Ashland	\$ 23,204	55	16.6%	32	Marquette	\$ 22,590	64	26.5%	1
Barron	\$ 24,922	41	15.2%	44	Menominee	\$ 18,449	72	19.8%	16
Bayfield	\$ 22,660	62	13.4%	60	Milwaukee	\$ 31,419	7	19.5%	18
Brown	\$ 32,076	5	17.8%	25	Monroe	\$ 23,467	54	16.8%	31
Buffalo	\$ 29,083	20	17.2%	28	Oconto	\$ 24,842	42	12.3%	66
Burnett	\$ 22,796	60	17.1%	29	Oneida	\$ 28,646	22	18.7%	21
Calumet	\$ 31,880	6	21.4%	8	Outagamie	\$ 30,952	11	20.5%	14
Chippewa	\$ 25,999	36	12.3%	67	Ozaukee	\$ 47,527	1	14.7%	48
Clark	\$ 22,227	66	13.9%	55	Pepin	\$ 24,407	44	13.0%	64
Columbia	\$ 30,846	12	18.2%	24	Pierce	\$ 27,963	26	18.6%	23
Crawford	\$ 22,628	63	20.9%	13	Polk	\$ 24,201	46	13.9%	54
Dane	\$ 36,455	3	21.0%	12	Portage	\$ 27,464	30	21.1%	11
Dodge	\$ 26,048	35	13.3%	61	Price	\$ 24,361	45	12.2%	68
Door	\$ 30,657	13	15.9%	40	Racine	\$ 31,271	8	15.0%	45
Douglas	\$ 23,568	53	15.3%	43	Richland	\$ 23,829	51	21.9%	6
Dunn	\$ 22,885	58	14.9%	47	Rock	\$ 28,256	25	14.1%	50
Eau Claire	\$ 27,469	29	17.5%	27	Rusk	\$ 20,461	71	14.0%	52
Florence	\$ 24,146	47	25.3%	3	Sauk	\$ 28,780	21	19.5%	19
Fond du Lac	\$ 29,951	17	16.1%	38	Sawyer	\$ 23,921	50	22.3%	4
Forest	\$ 21,975	68	25.4%	2	Shawano	\$ 23,941	49	13.9%	56
Grant	\$ 24,116	48	15.6%	42	Sheboygan	\$ 31,251	9	19.8%	17
Green	\$ 28,542	23	14.0%	51	St. Croix	\$ 31,091	10	13.6%	57
Green Lake	\$ 26,962	32	8.1%	72	Taylor	\$ 23,020	56	16.6%	34
Iowa	\$ 27,308	31	19.2%	20	Trempealeau	\$ 25,242	40	18.7%	22
Iron	\$ 22,912	57	21.1%	10	Vernon	\$ 20,950	70	15.7%	41
Jackson	\$ 26,084	34	21.9%	7	Vilas	\$ 25,664	37	13.0%	63
Jefferson	\$ 29,330	18	16.5%	35	Walworth	\$ 27,626	28	13.6%	58
Juneau	\$ 22,382	65	12.7%	65	Washburn	\$ 22,794	61	16.0%	39
Kenosha	\$ 29,117	19	16.5%	36	Washington	\$ 35,196	4	14.9%	46
Kewaunee	\$ 25,536	38	8.8%	71	Waukesha	\$ 41,551	2	12.2%	69
La Crosse	\$ 28,284	24	16.8%	30	Waupaca	\$ 26,863	33	14.0%	53
Lafayette	\$ 21,983	67	10.1%	70	Waushara	\$ 21,762	69	13.2%	62
Langlade	\$ 23,739	52	20.4%	15	Winnebago	\$ 30,359	15	16.6%	33
Lincoln	\$ 24,725	43	14.6%	49	Wood	\$ 30,401	14	17.7%	26

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2005